

FOR OFFICIAL USE ONLY

JPRS L/9948

28 August 1981

Sub-Saharan Africa Report

FOUO No. 738



FOREIGN BROADCAST INFORMATION SERVICE

FOR OFFICIAL USE ONLY

NOTE

JPRS publications contain information primarily from foreign newspapers, periodicals and books, but also from news agency transmissions and broadcasts. Materials from foreign-language sources are translated; those from English-language sources are transcribed or reprinted, with the original phrasing and other characteristics retained.

Headlines, editorial reports, and material enclosed in brackets [] are supplied by JPRS. Processing indicators such as [Text] or [Excerpt] in the first line of each item, or following the last line of a brief, indicate how the original information was processed. Where no processing indicator is given, the information was summarized or extracted.

Unfamiliar names rendered phonetically or transliterated are enclosed in parentheses. Words or names preceded by a question mark and enclosed in parentheses were not clear in the original but have been supplied as appropriate in context. Other unattributed parenthetical notes within the body of an item originate with the source. Times within items are as given by source.

The contents of this publication in no way represent the policies, views or attitudes of the U.S. Government.

COPYRIGHT LAWS AND REGULATIONS GOVERNING OWNERSHIP OF MATERIALS REPRODUCED HEREIN REQUIRE THAT DISSEMINATION OF THIS PUBLICATION BE RESTRICTED FOR OFFICIAL USE ONLY.

FOR OFFICIAL USE ONLY

JPRS L/9948

28 August 1981

SUB-SAHARAN AFRICA REPORT

FOUO No. 738

CONTENTS

BENIN

Country's Economic Prospects Discussed
(MARCHES TROPICAUX ET MEDITERRANEENS, 24 Jul 81) 1

COMORO ISLANDS

Federal Assembly Passes Laws
(MARCHES TROPICAUX ET MEDITERRANEENS, 10 Jul 81) 4

Briefs
 President's Travels 5
 French Loan 5

CONGO

Congo-Ocean Railroad Operations in 1980 Detailed
(MARCHES TROPICAUX ET MEDITERRANEENS, 24 Jul 81) 6

Briefs
 New Law on National Service 8
 Measures Favorable to Students, Teachers 8

MADAGASCAR

Cotton Production for 1981 Seen as Improvement
(MARCHES TROPICAUX ET MEDITERRANEENS, 18 Jul 81) 9

Briefs
 Development Company Problems Discussed 10
 Development of Copra Industry Reported 10
 Swiss Aid 10

- a - [III - NE & A - 120 FOUO]

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

MALI		
-	Economic Plans, Prospects Discussed (MARCHES TROPICAUX ET MEDITERRANEENS, 24 Jul 81)	12
-		
NIGER		
	President's Private Visit to France Results in Strengthened Ties (MARCHES TROPICAUX ET MEDITERRANEENS, 17 Jul 81)	16
	Briefs	
	French Financing Agreement	18
NIGERIA		
	Briefs	
	Aid to African Countries	19
	Aviation Agreement With Senegal	19
	Purchase of British Plane	19
	Plans for Aduba	19
	Lubricant Plant	20
SENEGAL		
	Interministerial Investments Committee Approves 65 Projects (MARCHES TROPICAUX ET MEDITERRANEENS, 17 Jul 81)	21
	Nation Said To Have Gone Through Difficult Year in 1980 (MARCHES TROPICAUX ET MEDITERRANEENS, 24 Jul 81)	24
TANZANIA		
	Nyerere's Economic Policies Receive Mass Organizations Support (MARCHES TROPICAUX ET MEDITERRANEENS, 24 Jul 81)	28
	Nyerere Rejects IMF Advice, Announces Agricultural Price Increases (MARCHES TROPICAUX ET MEDITERRANEENS, 17 Jul 81)	30
	Stockraising Program Detailed (MARCHES TROPICAUX ET MEDITERRANEENS, 24 Jul 81)	33
	Briefs	
	Finnish Loan	34
	FRG Loan	34
	TANESCO's Replacement of Equipment	34
	ATC Reorganization	24
ZAIRE		
	Economic Policy Defined by MPR Central Committee (MARCHES TROPICAUX ET MEDITERRANEENS, 24 Jul 81)	35
ZAMBIA		
	Briefs	
	New Mining Strikes	37

- b -

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

BENIN

COUNTRY'S ECONOMIC PROSPECTS DISCUSSED

Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1863, 24 Jul 81 pp 1920-1921

[Article: "Benin is Lagging Behind"]

[Text] Benin, although not particularly favored, did not at the start lack the ingredients for development. Its positive factors included a sizable agricultural potential, a geographical position making it an excellent transit area, and a dynamic and enterprising population. Lack of minerals and a still deficient infrastructure are, however, handicaps which counterbalance the favorable aspects, although not enough for the present economic stagnation not to be worrisome.

Slow Growth and Distortions

It is difficult to estimate the real rate of economic growth without a general price index, so we must make do with estimates. The economic growth rate has been maintained at between 2.6 percent and 3 percent per year since 1974, which barely equals the population growth rate. More precisely, the gross domestic product has gone from 133.5 billion CFA francs in 1976 to an estimated 161.6 billion in 1978, an annual growth rate of about 2.5 percent in constant value.

A comparison of different factors within the gross domestic product gives some interesting indications. Between 1970-1972 and 1976-1978 the share of primary and secondary activities, respectively, decreased slightly: primary activities from 45.9 percent to 45.2 percent; secondary activities from 11.9 percent to 11.1 percent. Tertiary activities increased from 42.2 percent to 43.5 percent.

It appears that there have been few changes, but within each branch of activities significant modifications have taken place. The slight decrease in the agricultural sector is partially explained by bad climatic conditions. For 2 years, however, food crops and livestock activities have increased, but cash crops and fishing have undergone a definite decrease. With 65 percent of the value of exports dependent on palm products, peanuts, cotton and shrimp an idea of the consequences of this decrease on the trade balance is immediately seen.

Secondary activities (industry, crafts) have grown relatively little, and the decrease in the harvest of industrial crops has had damaging effects on industry itself; its share in the gross domestic product between the two periods in question went from 8.4 percent to 6.3 percent.

FOR OFFICIAL USE ONLY

On the other hand, in tertiary activities trade leaped from 18.6 percent to 23.5 percent. This growth is partly due to the increased role of the port of Cotonou in shipping merchandise. But there has also been another, annoying reason, which is the proliferation of retailers and middlemen who add more disorder to an already complicated activity.

In sum, agriculture and industry are hardly advancing at all, but trade is booming. As all the experts know, this is not a good sign.

An Unbalanced Financial Situation

There is a deep imbalance in foreign trade between exports and imports, but the figure in red varies depending on whether customs statistics or estimates from the national treasury are used.

In 1978, imports reached 60.2 billion CFA francs and exports 5.8 billion CFA francs according to the customs statistics. However, these same exports are estimated to be 39.6 billion if you rely on the records of the national budget. Why such a difference? It is explained by the semi-official export of certain food crops (in surplus the last few years) and by the movement of expensive merchandise (alcohol, cigarettes, canned goods) which is reexported, mostly to Nigeria, which has a long and permeable border with Benin.

The fact still is that the cover rate is not good and is in fact bad if the customs statistics are taken: 39 percent in 1972, 9.6 percent in 1978. This is simply due to a significant drop in traditional exports (palm products, cotton, peanuts, shrimp) which have not been replaced by new products, and by the steep price rise of imported goods, not to mention the oil bill.

Despite this, the balance of payments was not affected until 1978. Until then it was in the black, varying between 2.2 and 3.5 billion CFA francs. It then went into the red and in 1979 the deficit became 5.5 billion CFA francs. This plunge was mainly due to the foreign debt which reached 1.3 billion CFA francs in 1978. This figure will still rise, because the loans granted for the 1977-1980 triennial plan are now coming due. The total of the debt itself is increasing: \$95 million in 1976, \$146 million in 1978, or 19 percent of the gross domestic product.

At the same time investments have increased considerably. They totaled 11 billion CFA francs in 1972, and reached 28.7 billion in 1978 and 40 billion in 1980, or about 18 percent of the gross domestic product. As we saw, however, this has not prevented a decrease in production, which was partially justified by the drought and by international difficulties (rise in prices, recession, etc.).

This rapid overview of the economic situation certainly does not give rise to optimism, and points out the persistent imbalances which are holding back the country's development. Serious efforts must undoubtedly be made--this is the goal of the new plan.

FOR OFFICIAL USE ONLY

1981-1990 Action Plan

Jean Monnet, an expert on the subject, said that the plan must be rigorous in its methods, precise in its goals, and demanding in its results. The plan drawn up by Benin to improve the situation seems to respond to these demands.

For this decade, the prime objective is to double the gross domestic product in real terms and to increase real per capita income at least one and a half times. This assumes that the average rate of real growth will be about 7 percent per year. What a leap forward compared to past years!

The major activities which will lead to such a result can be summarized as follows:

- An increase in agricultural productivity through the introduction of simple techniques and selective mechanization.
- Construction of a solid industrial sector, the prime moving force in development.
- Reinforcement of the transportation infrastructure with an emphasis on the North-South axis and the southern coast.

Within this framework, large-scale projects (the bases for some of which have already been laid during the first plan) will be completed. They are the keystone of the entire development plan and are listed below:

- Enlargement of the port of Cotonou (commercial and fishing port).
- Cement plant at Onigbolo: production estimated at 500,000 tons/year.
- Sugar factory at Save: production estimated at 40,000 tons/year.
- Railroad line Parakou/Niamey (in cooperation with Niger).
- Construction of a hydroelectric complex on the Mono (in cooperation with Togo).
- Integrated development of the Niger and Oueme Valley (agriculture/livestock).
- Agroindustrial complex for processing tomatoes at Malanville (Niger border).
- Offshore petroleum search under way. This will be continued, and drilling is foreseen. An estimate of the reserves is low, however: 40 million barrels, or about 9 million tons. In any case, this would help Benin become at least partially energy independent for several years.

In addition to these pilot projects there are of course other short-term projects (150 in all) carefully listed which range from the construction of a road to provide access to an isolated village during the rainy season to a small firm for desiccating onions. The effort to be undertaken in the area of tourism should also be mentioned. Benin, "a living museum where history is part of daily life," has a rich future in tourism. Nine projects have been scheduled, including the construction of a hotel in Abomey.

It is estimated that such investments will require foreign aid of about 725 billion CFA francs, of which 344 billion will be needed in the first half of the decade. According to the planners, the country's domestic resources which will be used for this will reach, in 1990, 35 percent of the total investment. That would be remarkable, but we have not yet reached that stage.

COPYRIGHT : Rene Moreaux et Cie Paris 1981.

9720

CSO: 4719/239

3

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

COMORO ISLANDS

FEDERAL ASSEMBLY PASSES LAWS

Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1861 10 Jul 81 p 1840

/Text/ The Comoran Federal Assembly, during the session which took place from 24 April to 6 June, passed a series of laws concerning different sectors of the economic, social and administrative life of the nation, in particular:

Law No 81-09 instituting a national identity card.

Law No 81-12 establishing a Posts and Telecommunications Office.

Law No 81-13 establishing the School for Higher Education.

Law No 81-14 establishing the National Normal School for Teachers.

Law No 81-15 establishing the National Secretarial and Business School.

Law No 81-16 establishing the National Polyvalent Technical School.

Law No 81-17 establishing the National School of Health.

Law No 81-18 repealing and replacing Law No 80-20 organizing and operating a public establishment known as Comoran Electricity and Water (EEDC)

Law No 81-19 authorizing the government to give its support to a loan of 300 million Comoran francs to Comoran Electricity and Water by the Central Economic Cooperation Fund.

Law No 81-20 establishing a Highway Maintenance Fund, and Law No 81-21 instituting taxes on gasoline and diesel oil to sustain the fund.

Law No 81-22 ratifying the adhesion of the Comoro Islands to the 12 August 1974 agreement establishing the Islamic Development Bank.

Law No 81-23 defining and classifying direct and indirect taxes.

COPYRIGHT: Rene Moreux et Cie Paris 1981

9434

CSO: 4719/174

4
FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

COMORO ISLANDS

BRIEFS

PRESIDENT'S TRAVELS--From 12 to 20 June, the president of the Comoro Islands Republic, Ahmed Abdallah, paid working visits to the Ivory Coast and Senegal. The privileged relationships which the governments of these countries maintain with the Islamic Federal Republic of the Comoro Islands are well known. President Abdallah had, with his Senegalese and Ivorian counterparts, exchanges of views described as very positive. /Text/ /Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1861 10 Jul 81 p 1840/ /COPYRIGHT: Rene Moreux et Cie Paris 1981/ 9434

FRENCH LOAN--A loan agreement for 300 million Comoran francs (parity with the CFA) was signed on 2 July in Moroni between the director of the Comoran Central Economic Cooperation Fund, Mr Pattus, and the director general of Comoran Electricity and Water, Said Mohamad Said Tourqui. The agreement concerns a loan granted in 1980 for the restoration of the electricity production and distribution networks. /Text/ /Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1861 10 Jul 81 p 1840/ /COPYRIGHT: Rene Moreux et Cie Paris 1981/ 9434

CSO: 4719/174

FOR OFFICIAL USE ONLY

CONGO

CONGO-OCEAN RAILROAD OPERATIONS IN 1980 DETAILED

Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1863, 24 Jul 81 pp 1951, 1952

[Text] The Transcongolese Communications Agency (ATC) has recently issued a report on the activities and management of the Congo-Ocean Railroad (CFCO) during fiscal 1980. The amount of freight movement in 1980 was higher than in 1979. It amounted to 1,379,632 tons (up by 16.3 percent compared to 1979) and 545.9 million tons per kilometer (up 16.1 percent compared to 1979). To the freight carried by the CFCO, one must add the goods transported by the COMILOG (Ogooue Mining Company) on the CFCO rail lines which amounted to 2,156,526 tons (down 5.8 percent compared to 1979) over a distance of 200 kilometers (from Mont-Belo to Pointe-Noire).

From Pointe-Noire, 194,300 tons of fuel and bitumen were carried and the rest of the commodities transported were food supplies, cement and imported equipment goods.

Arriving in Pointe-Noire were 668,733 tons of timber (up 33.3 percent compared to 1979). This timber was brought from the north of the Congo, Central Africa and Cameroon, from where it is floated or carried in barges as far as Brazzaville; it also came from the south of the Congo and Gabon. Chad and the Central African Republic sent 12,700 tons of cotton (up by 1.6 percent). The Congolese Sugar Company shipped 8,000 tons of sugar (down by 15.8 percent) and 3,600 tons of molasses (down by 7.7 percent). There was also a sharp drop in the amount of cement transported for the state-owned Loutete Cement Plant (CIDOLOU) which was 34,070 tons (down by 36.9 percent). Only 7,500 tons of copper, lead and zinc (down by 15.7 percent compared to 1979) were transported.

The number of passengers, which had declined in 1979, went up considerably. A total of 2.3 million passengers (up by 21.2 percent) traveled average distances of 146.5 kilometers.

By 31 December 1980, the railroad had a pool of 47 locomotives for regular service trains, (down by one unit which was taken out of service in 1980), 9 diesels and 21 switch engines.

The rolling stock consisted of 72 passenger cars and cars pulled by diesels; 1,414 flatcars, boxcars, dump cars, and ordinary cars to carry freight; 95 cars to transport bananas and special shipments (600 of the freight cars are rented out to private concerns); 145 freight cars owned by private firms (tank cars to transport hydrocarbons, liquefied gas and molasses).

FOR OFFICIAL USE ONLY

In 1980, the CFCO employed, on an average, 5,430 people which means 206 jobs more than in 1979 (permanent personnel, technical assistants and temporary personnel).

In fiscal 1980, the railroad earnings amounted to 15.6 billion CFA francs compared to 12.5 billion in 1979 and 10.6 billion in 1978. Earnings from freight services totaled 9.7 billion (a 2 billion increase compared to 1979) and from passenger services 3 billion (up by 1 billion) while the freight services charged to COMILOG amounted to 1.9 billion (up by 0.1 billion).

Running expenses were 15.6 billion CFA francs compared to 13 billion in 1979 and 10.6 billion in 1978. This includes a payroll of 4.7 billion (up by 0.7 billion), 3.4 billion of expenditures in materials (up by 1 billion), 2 billion for financial charges (up by 0.3 billion) and 2 billion for the annual installment payments for the replacement of equipment (no change compared to 1979).

On the whole, the operation practically broke even in 1980 while in 1979 it had shown a deficit of 0.6 billion CFA francs.

The balance sheet drawn on 31 December 1980 shows fixed assets with a gross value of 61.8 billion CFA francs and after deducting nearly 28.6 billion on account of accumulated amortization, their net value was 33.2 billion CFA francs. Another entry appearing under the heading of fixed assets was the cost of upgrading the railroad lines which was 43.4 billion CFA (compared to 32 billion in 1979).

COPYRIGHT: Rene Moreux et Cie Paris 1981.

8796
CSO: 4719/235

FOR OFFICIAL USE ONLY

CONGO

BRIEFS

NEW LAW ON NATIONAL SERVICE--A law on national service was adopted by the National Popular Assembly [ANP] of the Congo during the administrative session just held in Brazzaville. President Denis Sassou-Nguesso, who presided on 6 July at the closing ceremony, specified in his address that "this law obligates every citizen of adult age from now on to devote a part of his life to the defense of his country and to its development." [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 17 Jul 81 p 1891] [COPYRIGHT: Rene Moreux et Cie Paris 1981] 9693

MEASURES FAVORABLE TO STUDENTS, TEACHERS--During the Congolese Council of Ministers meeting 8 July, the political committee approved increases in scholarships for Congolese students abroad. These increases are as follows: 25,000 CFA francs for Congolese scholarship students in Western Europe, 23,000 CFA francs for those in Bulgaria and Yugoslavia, and 10,000 CFA francs for Congolese scholarship students in Africa. In other matters, the Council granted teachers a maintenance allowance for those with a total of 10 years or more of service. Furthermore, the Council agreed in principle that 63 million CFA francs be provided from the Congolese budget for fiscal year 1982 for the financing of a large scale campaign of combat illiteracy among the people. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 17 Jul 81 p 1891] [COPYRIGHT: Rene Moreux et Cie Paris 1981] 9693

CSO: 4719/201

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

MADAGASCAR

COTTON PRODUCTION FOR 1981 SEEN AS IMPROVEMENT

Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1861 18 Jul 81 p 1840

/Text/ Taking stock of cotton production in Madagascar, the daily newspaper MADAGASCAR-MATIN points out that there was a very sharp drop in production from 1978 to 1980, but that the 1981 harvest promises to be better, and within 3 or 4 years production should be able to meet national consumption. Cotton production in Madagascar in the last 3 years, as compared to 1970 (cotton-seed base), was as follows:

<u>Years</u>	<u>Areas (hectares)</u>	<u>Production (tons)</u>
1970	10,300	18,800
1978	22,213	32,934
1979	17,898	29,967
1980	16,985	23,421

COPYRIGHT: Rene Moreux et Cie Paris 1981

9434

CSO: 4719/174

9
FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

MADAGASCAR

BRIEFS

DEVELOPMENT COMPANY PROBLEMS DISCUSSED--Simon Pierre, minister of rural development and land reform, was not satisfied, in his explanations to the National People's Assembly on 22 June, to bring up the rice problem (see MTM of 3 July, p 1782); he also answered the deputies' questions concerning the five development companies: Fifabe (the Betsiboka plain), Somalac (Alaotra Lake), Sodemo (the Morondava plain), Samangoky (Lower Mangoky), Fifato (the Toliary region). These companies are coming up against problems of finance, staffing, maintenance of canals and works, collection and supply. The current difficult situation of the development companies is linked, the minister stated, to Madagascar's political choice, which has brought about a reduction in foreign aid, on the one hand, and a change in the development companies' financial structure, on the other. What is needed is a redefinition of these companies, which are indeed in a critical, but not entirely hopeless, state at present. The government is working away at the solution to these problems. /Text/ /Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1861 10 Jul 81 p 1840/ /COPYRIGHT: Rene Moreux et Cie Paris 1981/ 9434

DEVELOPMENT OF COPRA INDUSTRY REPORTED--The Malagasy state company Sambava Voanio has won the Food-Europe 1981 international trophy awarded by the Spanish magazine EL COMESTIBLE for the quality of its products (copra) and for its efforts toward the improvement of vegetable matter (hybrid palm trees). The state company Sambava Voanio, whose director general is Andreas Claude, took over Operation Palm Tree Sambava in 1979. It cultivates the 3,500 hectares of tall local palm trees planted from 1970 to 1976 with EDF financing, and, starting in 1981, it has undertaken the planting of 2,000 hectares of hybrid palm trees, twice as productive as the tall local palm trees. The planting of these 2,000 hectares should be finished in 1984. From the 2,500 hectares /as published/ in production, the company harvested 5,362,000 nuts in 1980 and envisages some 9.5 million nuts this year, or nearly 1,600 tons of copra or 950 tons of oil. It is expected to pass the 3,000-ton mark in copra by 1983. The company also intends to buckle down to the project of setting up a copra oil-mill capable of handling properly and fully, in the next few years, the total production (estimated at 14,000 tons of copra or 9,000 tons of oil) which would be provided in a period of full operation by the 3,500 hectares of tall palm trees and the 2,000 hectares of hybrids. /Text/ /Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1861 10 Jul 81 p 1840/ /COPYRIGHT: Rene Moreux et Cie Paris 1981/ 9434

SWISS AID--On 20 June, in Antananarivo, the official documents between Madagascar and Switzerland were signed regarding continuation of the Fampanandrosoana ny Fivondronam-pokontany-Antsiranana (Fafivan) operation, which is now in its fourth phase. In

FOR OFFICIAL USE ONLY

accordance with the terms of the agreement signed on 20 June, Swiss participation in this integrated development project for the northern region amounts to nearly 180 million Malagasy francs of nonrefundable assistance. /Text/ /Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1861 10 Jul 81 p 1840 /COPYRIGHT: Rene Moreux et Cie Paris 1981 / 9434

CSO: 4719/174

FOR OFFICIAL USE ONLY

MALI

ECONOMIC PLANS, PROSPECTS DISCUSSED

Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1863, 24 Jul 81 pp 1917-1918

[Article: "Mali, Where Everything is Still Possible"]

[Text] History undergoes spectacular reversals which leave one perplexed, if not nostalgic. In past centuries, during the time of the great African empires, continental Mali was far and away the favored spot for trade between the Sudan and the Maghreb; it was a time when Timbuktu was a flourishing metropolis and the Sahara was a navigable ocean...Then, when maritime transport became the favored means for economic exchange, Mali's lack of access to the sea became an obstacle which was difficult to overcome. Yesterday's favored crossroads became a solitary, distant place.

But Mali's isolation is not the only factor in the difficulties it has had for some time. Climatic variations affect agriculture and animal husbandry; the unfavorable population distribution and the low population density in an area almost three times as large as France (6,400,000 inhabitants on 1,240,000 km²) is another difficulty. These factors obviously influence the financial situation of the state, which has an unbalanced budget, a balance of payments in the red, and a high foreign debt, all of which is aggravated by an enormous state sector which devours resources. There are two rivers in Mali, the Niger and the Senegal, which because of their water and energy potential, are the country's hope for modern development; there are also mineral deposits which have not yet been developed but nonetheless remain promising. So, despite the difficulty of the present situation, Mali may yet make some truly decisive progress with the new undertakings that are part of the 1981-1990 action program.

Results Are Still Disappointing

The last 5-year plan (1974-1978) forecast an average annual growth in the gross domestic product of 7.1 percent; however, the actual figure was only 4.4 percent. This rate broke down as follows: primary activities, 2.9 percent, vs. a forecasted rate of 4.5 percent (which is barely above population growth)—only cotton production was satisfactory; secondary activities 4.5 percent vs. a forecast of 12.4 percent; tertiary activities, 6.2 percent vs. a forecast of 7.9 percent.

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

Tertiary activities seem to be dynamic, but this figure should not be considered really satisfactory due to the basic role of the overgrown commercial sector plays.

One troublesome aspect of this situation is that, despite the growth in volume of investments in absolute terms, there is a quasi-stagnation in primary and secondary activities. The inadequate food crop harvest (millet, sorghum, corn, rice) has resulted in costly imports which have aggravated the chronic trade balance deficit. In addition, domestic consumption has increased, particularly because of the increase in public sector employment. This consumption now exceeds national production and can be maintained at this level only through external financial assistance.

Although still in the black in 1977, the balance of payments has been in the red since then. The major reason for this was the rapid decline of the trade balance; the cover rate of exports to imports averaged only 50 percent.

The main reasons for this are heavy transportation costs because of the country's geographic location; need for equipment and agricultural products (drought); decrease in exports, also due to the effects of the drought; and, finally, the price increase of petroleum products. There are other reasons, however, which could be combatted: insufficient means of storage, which results in selling at any price without being able to wait for an improvement in the exchange rate; and inflation in domestic credit. In fact, one of the prime causes of the foreign deficit is the very structure of the state companies, whose imbalance requires an excessive reliance on bank credit. Financing the losses of these companies instead of increasing production is undoubtedly an unhealthy procedure which results most notably in an excess of imports.

International experts recently emphasized that a "lasting improvement of Mali's economic situation depends largely on a full-scale revitalization of public finance. Without quick corrective measures in this area, an already critical situation is liable to deteriorate severely." It could not be said better. The revitalization program drawn up in 1977 has not yet had very positive results. In 1977, ordinary receipts were 50.47 billion Malian francs, compared with a steep increase in operational expenses: 64.56 billion. Another figure illustrates Mali's budgetary impasse: in 1979, the gross domestic product was 523.8 billion Malian francs for a consumption of 546.3 billion, or 104.3 percent. (One Malian franc equals one French centime.)

It is obviously not surprising under such conditions that the share of the budget destined for investments is very modest. During the period 1974-1978, the share of foreign financing was over 90 percent--413 billion in a total of 455 billion Malian francs.

1981-1990 Action Plan

Malian authorities have decided to focus their development efforts on increasing the agricultural sector. In fact, in almost all the PMA's [less advanced countries] there is an emphasis on primary activities in order to ensure the most basic

FOR OFFICIAL USE ONLY

independence, that of nutritional survival. Through the activities associated with animal husbandry and farming, secondary activities will be able to develop more harmoniously and on a scale that is more compatible with the nature of the country. This is the outline, the essential axis of this plan which, we will see, in no way excludes large-scale projects of irrigation and energy, indispensable adjuncts to sustained economic activity. It should be noted that the objectives and strategies of the 1981-1985 5-year plan have been entirely incorporated into the 10-year plan.

1) Rural Economy Sector. It is in first place with 44.5 percent of the gross domestic product; rural areas represent 83.2 percent of the total population. The central dry savannah zone and the southern damp savannah zone are favorable for agriculture and cattle raising despite rains which are becoming more and more unpredictable. Out of 45 million available hectares, 2.1 million are under cultivation, 9.4 million are fallow, and 30 million are reserved for grazing. Agricultural development has good prospects, because surface water resources are significant, being composed primarily by the Niger and Senegal rivers. The Niger's central delta alone takes up about 4 million hectares; thus, there are good possibilities for primary sector development. It is still quite true, however, that agriculture is dependent on climatic variables, especially rainfall. Systematic exploration of underground water and planned use of surface water are intended to improve this situation.

Cotton, which alone accounts for almost 56 percent of exports, has reached an output (cottonseed) of 151,000 tons, which will increase in the next few years. Food crops, which must assure nutritional independence, are the focus of many projects, most notably one devoted to an integrated development of corn production and technology in south Mali.

Agriculture and animal husbandry are included in 35 projects which, besides satisfying the food needs necessary for the subsistence of the population, should result in supplying national industries with raw materials and in developing exports. The development of intensive agricultural zones around river basins and the establishment of agricultural/pastoral zones in the dry Sudanese area should result in attaining these goals.

2) Energy-Mines-Industry Sector. As far as hydroelectric energy goes, everyone is aware of the Manantali dam construction project on the Senegal (cf the special issue devoted to this subject OMVS. MTM 17 April 1981). Despite its importance, it should not overshadow the Tossaye dam project. When these projects have been completed, Mali will have energy resources which will help it avoid part of an ever-increasing oil bill. In the meantime, the construction of solar energy systems, which have already been tested, has begun to give encouraging results.

There are 17 planned industrial projects, including the "Mali textile complex" based on cotton; the production of cotton and synthetic fabrics and the fabrication of articles; and, finally, the construction of a shoe and leather goods factory.

FOR OFFICIAL USE ONLY

Real efforts have been made in the last few years in the area of mineral resources and results have been achieved: Kalana gold, Tilemsi phosphates, and Tessalit gypsum. In these areas prospecting has been followed by the beginnings of development. In addition, resources of bauxite (western Mali) iron (Bafing-Makana and Djidian-Kenieba regions), and manganese (Ansongo) have been estimated, but for the moment only this last mineral has begun to be mined.

3) Infrastructures. The main goals to be attained are: a de-isolation of Mali through an improvement of highway, railroad, river and air networks, and the establishment of modern telecommunications systems.

Among the 40 projects in the action plan, there are 5 studies for new railroad lines, notably Bamako/Ouangolodougou (Ivory Coast), and Bamako/Kouroussa (Guinea). The modernization of the Bamako/Kayes section, which should coincide with the modernization of the Senegalese section, will be a big improvement. As for additional sections, they can wait, as they most certainly will.

Professional training, especially in the area of health, has certainly not been forgotten. Although Mali can be thankful for its economic and social future that its population is exceptionally young, people still die there at an early age because of insufficient nutrition and inadequate care. Several hospitals will be improved and enlarged (Gao, Kayes, Toure) and others constructed (Sikasso, Segou).

Financing Worthy of a Decade

The 1981-1990 action plan which we have outlined breaks down as follows (in billion of Malian francs):

-- Rural economy	606.1
-- Energy, industry, mines (rural, urban and agricultural hydraulics, crafts, and tourism)	654.8
-- Infrastructures (transportation and telecommunications)	967.3
-- Human resources (health, education, training)	246.8
TOTAL	2,475

It should be noted that 64 billion of this will be financed by Mali's own domestic resources. Under these conditions, foreign financing will amount to 2,411 billion, or approximately \$5 billion. This seems very high; not far, for comparison, from the CEA's (Economic Commission for Africa) 1978 estimate for improving transportation in Africa. Actually, if the amounts earmarked for large projects such as Manantali or new railroad development are deducted, this reduces the sum by 900 billion, for a total of about \$1,890 million.

In any case, putting this program into action is vital to Mali's economic survival. But the authorities in this country must still take effective measures to improve the financial situation if the program's results are to be longlasting. This is possible, and is the vital factor for success.

COPYRIGHT: Rene Moreux et Cie Paris 1981.

9720
CSO: 4719/240

FOR OFFICIAL USE ONLY

NIGER

PRESIDENT'S PRIVATE VISIT TO FRANCE RESULTS IN STRENGTHENED TIES

Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 17 Jul 81 p 1884

[Text] Economic questions and development aid were the main points of the discussion which President Seyni Kountche of Niger had with Mr Francois Mitterrand on a private visit to France 10 July.

"The discussions I just came from were reassuring," stated Colonel Kountche, who was meeting President Mitterrand for the first time, as he left. "They took place in an atmosphere of trust, trust which will allow us to work together in our development activities," he added. "Relations between France and Niger are full of hope and promise," again affirmed the Nigerien president, who declared himself to be "impressed by the depth" of President Francois Mitterrand's "views and thoughts" regarding African problems.

"As for us, we are aware of France's limits. She is not alone, she has her own development problems even if she is not one of the developing countries," added Mr Kountche, the second African head of state, after Mr Houphouet-Boigny of the Ivory Coast, received on 9 July, to meet with the President of the French Republic.

Mr Kountche touched on economic problems with Mr Mitterrand, in particular the pursuit of cooperation in energy matters between the two countries, as France is the primary purchaser of Nigerien uranium. Political questions, notably the situation in the area after the Libyan diplomatic offensive and the development of the Chadian problem, were also mentioned.

Niger, whose development policy is based on revenue from sales of uranium, has been worried about the repercussions which France's future energy and nuclear policies could have on its exports. Niger, fourth in world production of this strategic ore (excluding the USSR) with an annual production of 4,200 metric tons, exports 1,200 metric tons per year to France.

On 9 July the Nigerien president met with Mr Jean-Pierre Cot, minister of cooperation and development; Mr Pierre Dreyfus, minister of industry; and Mr Edmond Herve, minister delegate in charge of energy; and on 10 July, with Mr Claude Cheysson, minister of foreign affairs.

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

In discussions with Mr Dreyfus, we learned from an informed source, Mr Kountche showed some concern in view of the decrease in uranium prices and the restructuring of the French nuclear program. In any case, added the same source, he did receive assurances regarding the continuation of the program committed to and the imports of Nigerien uranium by France.

Uranium prices fell over the last year, and France came to the aid of the Nigerien economy by consenting to a price which was higher than the world rate--20,000 CFA francs per kilogram as compared to 16,500. Furthermore, France granted special aid of about 80 million French francs in loans (4 billion CFA francs).

In addition, Niger is counting on France for the Kandadji dam project on the Niger River, whose cost is estimated at over 100 billion CFA francs. A meeting of the financial backers (BADEA /Arab Bank for African Economic Development/, Kuwaiti Development Funds, the Islamic Bank, the World Bank, Canada, France and West Germany) was held in Paris recently and a compromise solution to resolve the opposition of West Germany, who found the cost of the project too high, was found, we learned from an informed source. Thus, a transitional phase is planned for the study and evaluation of the dam's features.

COPYRIGHT: Rene Moreux et Cie Paris 1981.

9693

CSO: 4719/201

FOR OFFICIAL USE ONLY

NIGER

BRIEFS

FRENCH FINANCING AGREEMENT--Niger's acting minister of foreign affairs and cooperation Mahamadou Halilou, and the French ambassador to Niger, Alain Pierret, have recently signed a financing agreement for 2.1 million French francs, or 105 million CFA francs, intended to implement a master plan for the city of Niamey and to create a national urban work group. The first phase of the project covered by this agreement consists in securing partial funding to pay the salaries of technical cadres, the cost of expert services, survey expenses, the purchase and maintenance of vehicles, office equipment and furnishings and the expenses involved in printing and publishing the study documents. A scholarship for a construction foreman training course and another for an urban planning course are also being considered. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1863, 24 Jul 81 p 1942] [COPYRIGHT: Rene Moreux et Cie Paris 1981.] 8796

CSO: 4719/235

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

NIGERIA

BRIEFS

AID TO AFRICAN COUNTRIES--Nigeria will continue to contribute to the economic and social progress of friendly African countries despite its limited resources and depending on its domestic commitments, said the Nigerian minister of defense, Alhaji Akanbi Oniyangi, in Lagos. The minister made that statement at a ceremony during which Nigeria officially handed over to the Republic of Sao Tome and Principe a Fokker F-27 aircraft given as a gift. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1863, 24 Jul 81 p 1944] [COPYRIGHT: Rene Moreux et Cie Paris 1981] 8796

AVIATION AGREEMENT WITH SENEGAL--Senegal and Nigeria concluded, on 15 July, an aviation agreement replacing provisional agreements which, for the last 18 years, have allowed the companies Nigeria Airways and Air Afrique (where Senegal is a partner) to fly the Lagos-Dakar route. The agreement was signed in Dakar by Adrien Senghor, Senegalese minister of equipment, and by Olufemi Fowara, the Nigerian ambassador. Senghor pointed out that the new agreement offered a more explicit and comprehensive route structure and he said that it will help to expand trade between these two countries. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1863 24 Jul 81 p 1944] [COPYRIGHT: Rene Moreux et Cie Paris 1981] 8796

PURCHASE OF BRITISH PLANE--The Nigerian federal minister of aviation signed, early in July, a contract for the purchase of an HS-125 aircraft built by the British Aerospace. It is the second aircraft of this type purchased by Nigeria since the beginning of this year. The first plane was ordered several weeks ago by the Nigerian National Petroleum Corporation (BBOC). [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1863 24 Jul 81 p 1944] [COPYRIGHT: Rene Moreux et Cie Paris 1981] 8796

PLANS FOR ADUBA--The British engineering consulting firm Scott Wilson Fitzpatrick and Partners is putting the final touches to plans for highway maintenance (roads and bridges) and for the improvement of the central area of Ajuba, Nigeria's future federal capital. The cost of these projects in the vicinity of 250 million sterling pounds. The Federal Capital Development Authority wants to start work as soon as possible and has asked the firms involved to complete their reports as soon as possible. In addition to Scott Wilson Fitzpatrick, the Lagos-based Gomel Engineering firm has been commissioned to prepare some of the plans. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1863 24 Jul 81 p 1944] [COPYRIGHT: Rene Moreux et Cie Paris 1981] 8796

FOR OFFICIAL USE ONLY

LUBRICANT PLANT--The lubricant plant, which is being built in Kaduna, will start operations next September. Its opening was delayed due to the fact that Nigerian crudes were not suitable for the production of lubricants. The Nigerian National Petroleum Corporation (NNPC) has worked out an agreement with Venezuela, which will supply the required crudes. The Kaduna plant will produce engine oils, waxes, asphalts and bitumen as well as sulphur. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1863 24 July 81 p 1944] [COPYRIGHT: Rene Moreux et Cie Paris 1981] 8796

CSO: 4719/242

20
FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

SENEGAL

INTERMINISTERIAL INVESTMENTS COMMITTEE APPROVES 65 PROJECTS

Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 17 Jul 81 pp 1879, 1880

Text During 1980 the Interministerial Investments Committee approved 65 files representing an investment value of 58.5 billion CFA francs and the creation of 4,440 new jobs. These figures are clearly higher than those from 1979 when there were 39 files, totaling 32.2 billion CFA francs in investments and 2,795 jobs. In addition, eight files were rejected or deferred.

Excluding establishments in industrial regions (0.9 billion CFA francs), the distribution of new investments approved by sector is as follows, in billions of CFA francs and in percentages:

<u>Sector</u>	<u>Billion CFA Francs</u>	<u>Percent</u>
Agriculture, animal husbandry	0.8	1.3
Mining, quarrying	0.2	0.4
Food industry	20.8	36.1
Textiles	1.3	2.2
Chemical industry	1.2	2.1
Engineering	5	8.6
Tourism	4.4	7.8
Miscellaneous	23.9	41.5
Total	57.6	

Considering present economic conditions in Senegal, the following three cases must be pointed out: the expansion program at CSS Senegalese Sugar Company involving 16.1 billion CFA francs, and the modernization and expansion programs at Sococim West African Cement Corporation, classified under miscellaneous industries and representing an investment of 18 billion CFA francs, and at the Marta textile manufacturing plant at Thies, which should involve 2,000 jobs.

Among other new approved investment projects are those by CSM Senegalese Metals Company amounting to 4.3 billion CFA francs, SEIC Casamance Electric and Industrial Company for 1.7 billion, Village Hotel and Novotel hotel in Thies for 2.6 billion, and MTOA West African Tobacco Manufacture for 2 billion.

Among the cases decided upon by the Interministerial Investments Committee during 1980, officially accepted businesses accounted for 45.5 billion CFA francs (77.7 percent), businesses accepted for priority treatment accounted for 8.7 billion (14.8

FOR OFFICIAL USE ONLY

percent), and businesses benefiting from favorable treatment accounted for 3.5 billion (5.9 percent), with the remainder comprising small business establishments in the industrial areas of Dakar and Kaolack (0.9 billion CFA francs).

The Cape Verde region will receive most of the projects planned, thus demonstrating the promoters' desire to substitute local production for imports; furthermore, various projects are aiming at the export market. The Thies region tends to affirm itself, year after year, as the second largest industrial area in Senegal. The Casamance area is showing growth in investments, but the Louga region which until now has had no new establishments, appears in 1980 with 2.4 percent of new investments.

The distribution of investments approved by region is as follows, in billion CFA francs and in percentages:

<u>Region</u>	<u>Billion CFA Francs</u>	<u>Percent</u>
Cape Verde	32.7	55.8
Casamance	3.2	5.5
Diourbel	0.2	0.4
Fleuve	16.2	27.7
Eastern Senegal	0.1	0.1
Sine-Saloum	0.8	1.4
Thies	3.9	6.7
Louga	1.4	2.4
Total	58.5	

The Senegalese Sugar Company's expansion program is located in the Fleuve region.

The decentralization movement is not yet sufficient. The continued effort to establish infrastructures in the less favored regions, as well as the emergence of very large projects (such as MIFERSO [Iron-Mining Company of Senegal], dams in the Fleuve region and in Casamance) should encourage new investors to locate their projects in these areas in the future. The new investment code should also help to strengthen the decentralization efforts.

Elsewhere, a study will soon be conducted under the direction of the secretary's office of the Interministerial Investments Committee, and with the participation of SONED [expansion unknown], SONEPI [National Research and Industrial Promotion Company], and the Ministry of Industrial Development and Crafts, to define a more voluntary policy for industrial decentralization.

COPYRIGHT: Rene Moreux et Cie Paris 1981.

9693

CSO: 4719/201

FOR OFFICIAL USE ONLY

SENEGAL

BICIS REPORTS ON ACTIVITIES FOR FISCAL YEAR 1980

Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 17 Jul 81 p 1880

/Text/ During the difficult period that the Senegalese economy has been experiencing, BICIS /Senegalese International Bank for Commerce and Industry/, has maintained rather satisfactory activity for its 1980 fiscal year. Its balance sheet as of 30 September 1980 totaled 44.1 billion CFA francs, as compared to 41.3 billion one year earlier (plus 6.78 percent).

The bank acknowledged a decrease of 13.8 percent in customer deposits, with the volume of demand and term deposits down from 26.7 billion CFA francs as of 30 September 1979 to 23 billion CFA francs at the end of September 1980; non-renewal of special term deposits was the primary reason for this decrease.

Reinvestments (portfolios, bonds, and credits) represent 31.6 billion CFA francs outstanding, as compared to 27.1 billion at the end of September 1979, an increase of 17 percent. The bank's credit policy is oriented more towards the financing of the priority sector which, at the end of the fiscal year, accounted for 66.08 percent of credit made available to customers. Not including the balance, commitments through securities, endorsements, and confirmed credit to customers amount to 14.6 billion CFA francs.

After depreciation, provisions and taxes, the bank showed a net result of 257.8 million CFA francs for the fiscal year, carried to 293.9 million after integrating the profits of the Banjul branch in Gambia, down from 356 million CFA francs for fiscal year 1979.

On 12 March 1981, the shareholder's meeting voted a dividend of 10 percent of the capital, amounting to 2 billion CFA francs, by incorporating reserves, in September 1980; this capital is broken down into 940 million CFA francs in reserves and provisions.

BICIS is affiliated with the National Bank of Paris and the Financial Company for Foreign Countries (comprising the Bank of America, Banque Bruxelles Lambert and Dresdner Bank).

Mr Cheikhou Faye will assume the presidency of BICIS, whose chairman of the board is Mr Babacar Ndoeye.

COPYRIGHT: Rene Moreux et Cie Paris 1981.

9693
CSO: 4719/201

FOR OFFICIAL USE ONLY

SENEGAL

NATION SAID TO HAVE GONE THROUGH DIFFICULT YEAR IN 1980

Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1863, 24 Jul 81 pp 1937, 1938

[Text] The year of 1980 was a particularly hard one for Senegal. The many problems faced by the country have driven the authorities to make a more realistic assessment regarding the economic figures.

With 216 billion CFA francs worth of imports and 120.5 billion worth of exports, foreign trade in 1980 shows a deficit of 95.5 billion CFA francs compared to an 85.5 billion deficit registered in 1979. Earnings from exports of peanut products dropped to 17.1 billion CFA francs (compared to 41.7 billion in 1979) while the fuel import bill totaled 50 billion CFA francs (as opposed to 29.2 billion).

Despite foreign aid totaling 63.1 billion CFA francs, the general balance of payments for 1980 closed with a 13 billion deficit (compared to a deficit of 25.3 billion in 1979).

By the end of 1979, the exchange value of the standing foreign debt was 118 billion CFA francs, an increase of 25 billion for that year. In fiscal 1980-1981, the servicing of that debt will require about 30 billion CFA francs, or about 19 percent of the expected export earnings. The austerity program to put the economy on a sound footing, now being implemented, should reduce that burden by fiscal 1983-1984 to represent 13 percent of the export earnings or 12 billion CFA francs.

In the context of the strict austerity measures adopted to correct the financial situation, the revenues and expenses of the operating budget for fiscal 1980-1981 totaled 115.6 billion CFA francs (an 8 percent increase over the previous budget); in the domain of ordinary revenues, direct taxes amount to 21.7 percent compared to 18.7 percent in fiscal 1979-1980. The capital budget, covered by foreign loans, totals 22 billion CFA francs (down by 8 percent).

Two and a half years after it started, the Fifth 4-year Plan for Economic and Social Development, covering the 1977-1981 period, was fulfilled by 45 percent. When the plan is completed, its final fulfilment rate will be around 75 percent while the targets set for the Fourth Plan were only met at the rate of 51 percent.

Due to adverse climatic conditions and to the bad quality of seeds, the 1979-1980 agricultural year ended with particularly poor results. Only 240,000 tons of peanuts were delivered to the oil mills. The overall earnings of the rural populations only

FOR OFFICIAL USE ONLY

amounted to 19 billion CFA francs. The 1980-1981 rice crop is expected to yield 68,000 tons of rice, a 44 percent drop from the previous crop, which means that large amounts of rice will have to be imported to meet the needs of domestic consumption (requiring between 250,000 and 300,000 tons a year).

The cottonseed crop will not yield more than 21,000 tons (compared to 36,900 tons in fiscal 1979-1980) which means 7,500 tons of cotton fiber for ginning (down by 25 percent). The Senegalese Sugar Company (CSS) is gradually increasing its operations; the sugar cane crop for the 1979-1980 agricultural year produced 38,000 tons of refined sugar (an 8,000 ton increase); the capacity of the sugar plant will be raised to 100,000 tons a year so as to fully cover the country's needs, currently estimated to be 120,000 tons a year.

The overall cost of the Diama Dam is estimated to be about 40 billion CFA francs. The project will be financed by France, Saudi Arabia, Kuwait, Abu Dhabi and the African Development Bank.

The upswing in the industrial activity, which started in 1979, was not reinforced in 1980 and the general index for industrial production was 133.2, a drop of 22.1 percent compared to the 1979 index (taking as a basis the figure 100 set for 1969) and if one excludes the oil mills, the index was 153.2 (down by 17.5).

Gross production of electricity was 635.7 million kilowatts in 1980, the same as in 1979; industrial consumption declined while domestic consumption increased.

Peanuts were pressed in five mills. Starting this year, four industrial units will be managing, on behalf of the Senegalese National Company for Oleaginous Plants (SONACOS), the Senegalese oil mills which are capable of grinding 920,000 tons of peanuts. In 1980, they produced 78,000 tons of oil (down by 152,000 tons compared to the 1979 figures) and 46,000 tons of oil-cake (down by 246,000 tons); earnings from exports of peanut products were a mere 18 billion CFA francs compared to 40 billion in 1979, a situation which brought into play a compensatory transfer payment under the Stabilization of Export Earnings System (STABEX).

With the Senegalese Fishing Company (SOSAP) going into liquidation, Senegal's fishing fleet brought in poor catches, 8,347 tons (only a 2 percent increase over the 1979 figures), while French and Spanish tuna boats, not based in Kakar, caught 8,600 tons (an increase of 122 percent). Almost the entire output of canning factories was exported to France. In 1980, the main industrial freezing plants had a turnover of 8.9 billion CFA francs.

The tomato cash crop and the production of tomato puree were a successful diversification. Although the Tomato Cash Crop National Company (SNTI) is still in the initial stage of production, the Food Canning Company (SOCAS) produced 3,110 tons of condensed tomato paste in 1980.

Two flour mills (Grands Moulins de Dakar and Moulins Sentenac) had an aggregate turnover of 9.4 billion CFA francs in 1980.

Two breweries--Brasseries de l'Ouest Africain (SOBOA) and Societe Industrielle de Brasseries de Senegal (SIBRAS)--can jointly produce 350,000 hectoliters of beer

FOR OFFICIAL USE ONLY

and 350,000 hectoliters of fizzy drinks; their turnover for 1980 was 5.2 billion CFA francs.

There are also two companies which market the milk consumed by the population and one of them is a subsidiary of Nestle. Their turnover increases every year and in 1980 they did 9.1 billion CFA francs worth of business.

The textile sector covers many activities: cotton ginning, spinning, weaving, fabric printing, knitwear, manufacture of garments; leathercraft is also incorporated into that sector. All the enterprises continue to be affected by the sluggish domestic market. In 1980, national interests were particularly strengthened when they gained control of a large dyeing and fabric printing company. The overall turnover in the textile industry for that year was 27.5 billion CFA francs.

In the chemical industries, the soap and cosmetic branch did 6.3 billion CFA francs worth of business. The Senegalese Industrial Fertilizer Company (SIES) sold 57,000 tons of products in the domestic market and exported 40,000 tons with a turnover of 4.8 billion CFA francs. Construction work started in April 1981 in a large complex of the Chemical Industries of Senegal (ICS). The complex will process phosphate from Thies and is expected to produce sulphuric acid (560,000 tons a year), phosphoric acid (400,000 tons a year) and solid fertilizers (210,000 tons a year); investments for that project amount to about 60 billion CFA francs.

In 1980, the African Refinery Company (SAR) processed more than 800,000 tons of crude oils from Nigeria, Iraq and Algeria; 90 percent of the refined products were sold on the domestic market for a total turnover of 45.6 billion CFA francs.

The chemical industry branch also includes a variety of enterprises (such as plastics, lubricants, matches, pharmaceutical products, paints and varnishes).

Phosphate is an important asset of the Senegalese economy. In 1980, the Senegalese Phosphate Company of Taiba exported 1.25 million tons of phosphate and the Senegalese Phosphate Company of Thies exported 0.3 million tons, bringing into the country a total of 16.3 billion CFA francs worth of export earnings.

The west African Cement Company (SOCOCIM-Industries) is going ahead with its modernization and expansion plans to increase production from 400,000 tons to 825,000 tons of cement (cost: 18 billion CFA francs). In 1980, that company sold 385,000 tons of cement with a turnover of 6.1 billion CFA francs.

In the metal branch, the two major car assembly plants had a turnover of 5.4 billion CFA francs; two companies making barrels and metal containers did 3.2 billion CFA francs worth of business.

Under the chapter of miscellaneous industries, the West African Tobacco Manufacturing Company (MTOC) exports 40 percent of its production to African countries; its sales totaled 2.8 billion CFA francs.

The Dakar-Marine project, which was planned under economic conditions prior to the oil crisis, has had to be revised to deal only with the repair and maintenance of medium-tonnage ships; the facilities are now in operation.

FOR OFFICIAL USE ONLY

Recently, the Senegalese Shipping Company (COSENAM) replaced the Senegalese Shipping Corporation (SONAM). The state holds 84 percent of the company's capital which amounts to 1 billion CFA francs and in time the COSENAM, which has started operating with two ships, will be carrying 40 percent of the country's goods.

The Atlantic Project for underwater communications cables between Senegal and Brazil and between Senegal and Portugal, is under construction; the two cables are scheduled to go into operation in July 1982 (cost: 45 billion CFA francs).

Tourism plays an important role in the Senegalese economy and in 1979 it earned more than 13.3 billion CFA francs. With the opening of two new good hotels, the total accomodation capacity will be 6,600 beds without counting the existing holiday villages.

COPYRIGHT: Rene Moreux et Cie Paris 1981.

8796
CSO: 4719/235

FOR OFFICIAL USE ONLY

TANZANIA

NYERERE'S ECONOMIC POLICIES RECEIVE MASS ORGANIZATIONS SUPPORT

Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1863, 24 Jul 81 pp 1951, 1952

[Text] During a meeting organized in Dar es Salaam by the Tanzanian Women's Organization (UWT), on 16 July, President Nyerere called for more productivity in Tanzania's agricultural and industrial sector and for offices to work more efficiently, saying that it was the only way to face the country's economic problems.

The head of state referred to the themes developed in the speech he made in Kigoma (see MARCHES TROPICAUX ET MEDITERRANEENS of 17 July 1981), a speech criticizing the International Monetary Fund (IMF) without mentioning that agency by name. In Dar es Salaam, he repeated that "foreign experts" had suggested solutions which "go against the people's aspirations to build socialism and economic self-reliance".

These solutions were to devalue the shilling, to cut back on government spending, to lift price controls, to raise the bank interest rates, to freeze wages and to eliminate controls on imports.

According to Nyerere, a cutback in government spending means to take away from the people basic services such as education, health care and water supply. However, he added, the government is not opposed to cuts in spending and is even trying to do so. Inflation has left the government with no other option but to cut back the budgets of its ministries.

The president has asked the leaders and members of the sole Tanzanian party CCM (Chama cha Mapinduzi) to discuss "with the people" the real nature of the country's economic problems and to find solutions for these problems in accordance with the socialist line of action and the policy of self-reliance.

On that same day, and during a meeting organized in Zanzibar by the CCM Youth Organization, Tanzanian Vice President Aboud Jumbe declared that socialism was still the best solution for Tanzania.

The UWT has published a message of support for President Nyerere's economic policy. The women's organization says, in particular, that Tanzanian women would spend more time hauling water and fuel if the recommendations of the foreign experts were adopted.

Answering the call of the CCM, more than 20,000 Tanzanians marched through Dar es Salaam on 18 July under the banners of the Juwata [Workers' Organization, the Tapa (Parents Association) and the Washirika (Union of Cooperatives).

FOR OFFICIAL USE ONLY

In a message addressed to the head of state, the demonstrators assured him that they will raise their productivity and will do everything they can to lead their country toward socialism.

The Tanzanian official press has also reported on support demonstrations held in other towns of the country.

COPYRIGHT: Rene Moreux et Cie Paris 1981.

8796
CSO: 4719/235

FOR OFFICIAL USE ONLY

TANZANIA

NYERERE REJECTS IMF ADVICE, ANNOUNCES AGRICULTURAL PRICE INCREASES

Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 17 Jul 81 p 1895

[Text] In an address to the Tanzanian nation from the city of Kigoma on 7 July, on the occasion of Farmer's Day, President Julius Nyerere declared that his country would not go along with the "stupid ideas" he had been advised to follow: devaluing the currency, eliminating price and import controls, increasing bank interest rates and freezing wages.

Although the Tanzanian president did not specify what countries or organizations had given him such advice, observers feel that his remarks were aimed at the International Monetary Fund.

President Nyerere contented himself with stating that certain countries and certain institutions had refused to give aid to Tanzania as long as it had not accepted the suggestions. The Tanzanian head of state warned his compatriots that if this advice was followed "the little people would suffer from it." Devaluation of the Tanzanian currency, he added, would cut in half the purchasing power of the farmers, and would oblige the country to spend more for its imports, which would be "ridiculous."

The development of the country is the responsibility of the Tanzanians themselves, again affirmed the president, who feels that the problems of his country are the same ones encountered by all Third World nations and countries which do not produce petroleum. However, he added, within this group the countries who follow socialist policy are better off.

The Tanzanian president, in other matters, indicated that the price of corn would reach 1.75 shillings per kilogram in producing regions and 1.50 in the other regions. On the other hand, the new prices announced last month for coffee, sisal and tobacco (see MARCHES TROPICAUX ET MEDITERRANEENS 3 Apr p 955) should encourage farmers to turn toward these exportable products. The Tanzanian head of state also announced the reopening of cooperatives and the reestablishment of local councils.

New Policy on Agricultural Prices

In fact, President Nyerere's statements regarding product prices refer to the government decisions revealed on 8 July. The government announced, in effect, an increase in production prices for food crops and export crops based on a new price policy, except for crops produced in unsuited regions. The new price policy is aimed at encouraging peasants to cultivate more products in appropriate regions, and thus to contribute to Tanzania's program of self-subsistence. Thus, millet, and not corn, will be cultivated in arid regions.

FOR OFFICIAL USE ONLY

New Producer's Prices in Tanzania

(Effective 9 July 1981)

(In Tanzanian shillings per kilo)

Corn:		Grapes:	
Mwanza, Shinyanga (except the Kahama district), Singida, Mara (except the Tarime district), Dodoma (except the districts of Mpwapwa and Kondoa)	1.50	Superior quality	6.00
Other regions.....	1.75	Secondary quality	5.00
Rice:		Cane sugar (per metric ton)..	37.30
Morogoro, Coast, Tanga, Pongoma, Tabora, Mbeya		Millet	1.50
Mwanza, Shinyanga.....	3.00	Peas	1.50
Other regions.....	2.50	Cap peas	1.50
Wheat			2.00
	2.50	Beans	3.50
Sorghum:		Castor beans	1.70
Mwanza, Mara, Shinyanga, Singida, Tabora, Dodoma, districts of Same and Mwanga (Kilimanjaro)..	1.60	Peanuts	5.80
Other regions.....	1.30	Sim-sim	5.70
Cassava:		Soy beans	3.00
Mwanza, Lindi, Shinyanga, Mara, Mtwara, Cote, Tabora, district of Biharamulo (Kagera)		Coconut	4.20
-Grade 1	0.90	Sunflower:	
-Grade 2	0.70	- Black	2.90
Other regions		- "Jupiter"	2.60
-Grade 1	0.70	- Other varieties	2.50
-Grade 2	0.50	Cotton:	
Tobacco:		- Grade 1	4.70
- Flue-cured		- Grade 2	2.50
- Grades 1 to 3	20.00		
- Other grades	16.00		
- Fire-cured:			
- Grade 1	13.00		
- Other grades	10.00		
- Burley	10.00		

FOR OFFICIAL USE ONLY

Cashews (effective October 1981):

- Grade 1	5.00
- Grade 2	3.50

Coffee:

Arabica	9.00
Robusta	4.50
Tea	1.50
Cocoa	11.00

Pyrethrum:

- Grade 1	13.20
- Grade 2	12.00
- Grade 3	11.00
- Grade 4	10.00
- Grade 5	9.00

Cardamom:

- Grade 1	80.00
- Grade 2	70.00
- Grade 3	45.00

COPYRIGHT: Rene Moreux et Cie Paris 1981.

9693

CSO: 4719/201

FOR OFFICIAL USE ONLY

TANZANIA

STOCKRAISING PROGRAM DETAILED

Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1863, 24 Jul 81 p 1952

[Text] The Tanzanian minister for cattle raising, Herman Kirigini, told the Dar es Salaam Parliament, on 3 July, that the livestock of the National Ranching Corporation (NARCO) of Tanzania had increased from 98,845 heads of cattle in March 1980 to 108,517 in March 1981 (a 9.8 percent increase). More than 19,000 calves were born in its ranches over a 9-month period ending on 31 March 1981 (22,000 births are expected during fiscal 1981-1982). The minister described these results as "encouraging." However, between July 1980 and March 1981, NARCO was only able to sell 3,000 heads of cattle, compared to expected sales of 20,000 animals, and the price offered in the international market forced the company to sell only in the domestic market.

An agreement is currently being negotiated with the Zimbabwe Government for the purchase of 1,000 heifers for the dairy farms run by the Tanzanian state.

The minister announced that they were studying a program, drawn in cooperation with the World Bank and with the Tanzanian Investment Bank (TIB), to create 62 dairy farms in the Kitulo highlands, in the region of Iringa, at a cost of 300 million Tanzanian shillings. These farms are expected to produce 18 million liters of milk a year. This should be enough to satisfy the needs of the Iringa and Mbeya regions and the excess production will be sent to the Arusha region.

During fiscal 1981-1982, the Dairy Farming Company (DAFCO) will open two dairy farms in Kitulo with a state loan (2 million shillings) followed by another loan from the WFP (World Food Program) (4 million shillings).

Two dairy farms will also be established during that fiscal year in the regions of Tanga and Mtwara. Added to which, the Sao Hill Farm will raise 500 heifers and 500 bulls a year for the cattle breeders of the Iringa, Mbeya and Rukwa regions. The Mubuki Farm will raise 400 heifers and 400 bulls for the regions of Mwanda, Mara, Shinyanda, Tabora and Kigoma.

COPYRIGHT: Rene Moreux et Cie Paris 1981.

8796

CSO: 4719/235

FOR OFFICIAL USE ONLY

TANZANIA

BRIEFS

FINNISH LOAN--It was announced on 9 July in Dar-es-Salaam that Finland would grant Tanzania a loan of \$6.25 million to enable Tanzania to purchase Finnish durable goods and to finance projects for which imports of Finnish goods and services are planned. /Text/ /Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 17 Jul 81 p 1895/ /COPYRIGHT: Rene Moreux et Cie Paris 1981/ 9693

FRG LOAN--The Federal Republic of Germany has granted Tanzania a loan of \$8.5 million to enable the country to import products from a third country. The agreement was signed on 7 July in the Tanzanian capital by the West German minister for economic cooperation, Rainer Offergeld, and the Tanzanian minister for finance, Amir Jamal. According to the Tanzanian Treasury, this loan is in addition to FRG's annual loan to Tanzania of \$72.25 million. /Text/ /Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 17 Jul 81 p 1895/ /COPYRIGHT: Rene Moreux et Cie Paris 1981/ 9693

TANESCO'S REPLACEMENT OF EQUIPMENT--As part of a biannual investment program, TANESCO /Tanzania Electricity Supply Company/ has contracted to replace some of its diesel generators. Six new 600 kilowatt generators will be ordered in Finland for Mtwara, Lindi, Singida, Kigoma and Bukoba. Negotiations for the purchase of ten more are in progress. Three new power plants are being built, in Dodoma (7.5 megawatt), Tabora (10.5 megawatt) and Mbeya (10 megawatt). They should be completed by the end of 1981 if TANESCO obtains the 4.5 million Tanzanian shillings requested from the Bank of Tanzania for these projects. Note that the Kidatu-Mufindi hydroelectric project which was to supply electric power to the city of Mbeya as of 1982, has been delayed for financial reasons. /Text/ /Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 17 Jul 81 p 1895/ /COPYRIGHT: Rene Moreux et Cie Paris 1981/ 9693

ATC REORGANIZATION--According to the Tanzanian minister of communications and transport, Ibrahim Kaduma, this year the Tanzanian Government gave 160 million Tanzanian shillings (\$20 million) worth of aid to the Tanzanian national airline ATC (Air Tanzania Corporation) to help it get reorganized and to increase its domestic and regional flights. Speaking in Parliament, the minister said that ATC will receive additional aid amounting to 103.5 million shillings after it submits a program to improve its services over a period of 5 or 10 years. Since it was established in 1977, the ATC has lost 106.6 million shillings including 75.3 million in 1980. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1863, 24 Jul 81 p 1952] [COPYRIGHT: Rene Moreux et Cie Paris 1981.] 8796

CSO: 4719/235

34
FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

ZAIRE

ECONOMIC POLICY DEFINED BY MPR CENTRAL COMMITTEE

Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1863, 24 Jul 81 p 1949

[Text] It is known that during its sessions which lasted from 26 March to 9 June, the Central Committee of the Popular Movement of the Revolution (MPR), the single party of Zaire, adopted a number of decisions including the decision to break up the National University into three autonomous universities (see MARCHES TROPICAUX ET MEDITERRANEENS of 19 June page 1681). Now we have details of the measures adopted in the economic and financial spheres and we think that we should report their main points.

Regarding agriculture, a decision requires the Executive Council

- 1) to implement a program to boost agriculture in accordance with the instructions and guidelines issued for that purpose;
- 2) to organize food crops in such a way as to purchase and transport all these products for delivery to big towns, particularly in the provinces of Shaba, the two Kasais and Kinshasa;
- 3) to increase production in order to reduce the existing shortage of the following products: corn, rice, sugar, meat and fish.
- 4) to repair bridges and ferries and have a permanent force of roadmen doing regular maintenance work on the roads which go to the regions where agricultural produce is grown;
- 5) to provide the means that economic operators in the agricultural sector need to acquire the transportation equipment required for a fast flow of the products; to obtain regular supplies of fuel; to purchase agricultural products at a worthwhile price;
- 6) to put into private hands farms and small farms as well as state-owned agricultural enterprises with the exception of those used for training purposes, to propagate seeds and cuttings and to breed livestock;
- 7) to create an agricultural credit bank which will support the agricultural policy. Steps are also recommended reducing the shortage of corn in the regions

35
FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

of Shaba, the two kasais and, for this, a special role is assigned to the GECAMINES [General Quarries and Mines Company].

In the sphere of public finances, the Executive Council is asked:

1) to persevere in its current efforts to improve the public finances by following the guidelines set for that purpose;

2) to adopt measures the purpose of which will be: to strictly observe the laws and regulations governing public funds; to take the necessary steps so that nobody can get more than one remuneration from the public treasury; to urge public and quasi-statal enterprises to stabilize their financial situation through a strict application of the professional categories approved by the supervisory departments so as to cut down excessive personnel and improve efficiency as well as the social conditions of the workers; to dissolve or merge as soon as possible any public enterprise which is economically unsound; to really collect all state revenues (a suitable method must be devised to enable the finance department to supervise the effective implementation of that decision); to stop all dispensations regarding custom duties and excise taxes and the checks which must take place at loading and unloading time, with the exception of dispensations prescribed by the law.

COPYRIGHT: Rene Moreux et Cie Paris 1981.

8796

CSO: 4719/242

36
FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

ZAMBIA

BRIEFS

NEW MINING STRIKES--About 400 miners working for the Luanshya branch of the Roan Consolidated Mines (RCM) went on strike on 17 July demanding details about what their new wages were going to be. The strike spread to the copper mines of Rokana where strikers booed the minister of labor and social affairs, Basil Kabwe. These strikes have come in addition to the ones mentioned in our issue of 17 July 1981, page 1894. According to officials of the Nchanga Consolidated Copper Mines (NCCM), the strikes in Konkola have cost the company 2.4 million Zambian kwachas (\$2.7 million). Thus, the situation remains tense in the mining sector of the Copperbelt region and Zambia does not seem to be able to get away from a number of social and political crises which the country has had to face over the past year. The recently published statement of accounts of the NCCM for the fiscal year which ended last 31 March, shows profits amounting to 36.4 million kwachas from sales of copper and 29.1 million kwachas from sales of cobalt and other metals. But sales receipts for that fiscal year were only 657.4 million kwachas compared to 701.7 million for fiscal 1980-1981. The financial results would have been much better, in fact, but for the miners' strikes which affected the company at the end of 1980. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1863 24 Jul 81 p 1952] [COPYRIGHT: Rene Moreux et Cie Paris 1981.] 8796

CSO: 4719/235

END

FOR OFFICIAL USE ONLY